

Maine Revised Statutes
Title 24-A: MAINE INSURANCE CODE
Chapter 11: ASSETS AND LIABILITIES

§959. RESERVES SUBJECT TO VALUATION MANUAL

1. General requirement. On and after the operative date of the valuation manual, reserves on policies and contracts of subject lines of insurance must be valued as follows, except as otherwise specifically provided in this section or in rules adopted by the superintendent:

- A. For policies and contracts issued on and after the operative date of the valuation manual, in accordance with the valuation manual; [2013, c. 238, Pt. C, §9 (NEW) .]
- B. For policies and contracts described in sections 953 to 958-A and issued before the operative date of the valuation manual, in accordance with those sections; and [2013, c. 238, Pt. C, §9 (NEW) .]
- C. For health insurance policies and contracts issued before the operative date of the valuation manual, and any other policies and contracts outside the scope of paragraphs A and B, in accordance with rules adopted by the superintendent. [2013, c. 238, Pt. C, §9 (NEW) .]

[2013, c. 238, Pt. C, §9 (NEW) .]

2. Necessary provisions. The valuation manual must specify all of the following:

- A. Definitions of the policies and contracts subject to this section; [2013, c. 238, Pt. C, §9 (NEW) .]
- B. The following minimum valuation standards for all policies and contracts subject to this section:
 - (1) The commissioners reserve valuation method for life insurance contracts, other than annuity contracts;
 - (2) The commissioners annuity reserve valuation method for annuity contracts; and
 - (3) Minimum reserves for all other policies or contracts; [2013, c. 238, Pt. C, §9 (NEW) .]
- C. Provisions specifying which policies and contracts or types of policies and contracts are subject to section 960 and specifying the minimum valuation standards consistent with those provisions; [2013, c. 238, Pt. C, §9 (NEW) .]
- D. For policies and contracts subject to section 960:
 - (1) Requirements for the format of reports to the superintendent under section 960, subsection 3, paragraph C, which must include information necessary to determine whether the valuation is appropriate and in compliance with this subchapter;
 - (2) Assumptions to be prescribed for risks over which the insurer does not have significant control or influence; and
 - (3) Procedures for corporate governance and oversight of the actuarial function and a process for appropriate waiver or modification of such procedures; [2013, c. 238, Pt. C, §9 (NEW) .]
- E. For policies and contracts not subject to section 960, a minimum valuation standard that either:
 - (1) Is consistent with the minimum standard of valuation for policies and contracts issued before the operative date of the valuation manual; or

(2) Develops reserves that quantify the benefits and guarantees, and the funding, associated with the policies and contracts and their risks at a level of conservatism that reflects conditions that include unfavorable events that have a reasonable probability of occurring; [2013, c. 238, Pt. C, §9 (NEW).]

F. Other requirements, including, but not limited to, those relating to reserve methods, models for measuring risk, generation of economic scenarios, assumptions, margins, use of insurer experience, risk measurement, disclosure, certifications, reports, actuarial opinions and memoranda, transition rules and internal controls; and [2013, c. 238, Pt. C, §9 (NEW).]

G. The data and form of the data required under section 961. The requirements must specify to whom the data must be submitted and may specify other requirements, including requirements with respect to data analyses and reporting of analyses. [2013, c. 238, Pt. C, §9 (NEW).]

[2013, c. 238, Pt. C, §9 (NEW) .]

3. Supplementation and resolution of conflicts. In the absence of a specific valuation requirement or if the superintendent determines that a specific valuation requirement in the valuation manual is not consistent with the requirements or purposes of this subchapter, an insurer shall comply with minimum valuation standards prescribed by the superintendent by rule or order.

[2013, c. 238, Pt. C, §9 (NEW) .]

4. Examination. For an insurer subject to this section, the superintendent may hire, contract with or otherwise engage a qualified actuary, at the insurer's expense, to perform an actuarial examination of the insurer and provide an opinion on the appropriateness of any reserve assumption or method used by the insurer or to review and provide an opinion on the insurer's compliance with any requirement of this subchapter. The superintendent may rely on any actuarial opinion issued on behalf of another insurance regulator in the United States that is relevant to an insurer's compliance with this subchapter.

[2013, c. 238, Pt. C, §9 (NEW) .]

5. Corrections. The superintendent may require an insurer to change any assumption or method as determined necessary by the superintendent to comply with the requirements of the valuation manual or this subchapter, and the insurer shall adjust the reserves as required by the superintendent.

[2013, c. 238, Pt. C, §9 (NEW) .]

6. Violations. Violations of this subchapter are subject to all remedies specified in section 12-A or otherwise available by law.

[2013, c. 238, Pt. C, §9 (NEW) .]

7. Changes to valuation manual. Unless a later effective date is specified or the superintendent has disapproved the change by rule, a change to the valuation manual is effective on January 1st following the adoption of the change by an affirmative vote of the NAIC representing:

A. At least 3/4 of the NAIC members voting; [2013, c. 238, Pt. C, §9 (NEW).]

B. At least a majority of the total NAIC membership; and [2013, c. 238, Pt. C, §9 (NEW) .]

C. Jurisdictions totaling greater than 75% of the aggregate written direct premiums reported in the most recently available life, accident and health annual statements; health annual statements; and fraternal annual statements. [2013, c. 238, Pt. C, §9 (NEW).]

[2013, c. 238, Pt. C, §9 (NEW) .]

SECTION HISTORY

2013, c. 238, Pt. C, §9 (NEW).

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